

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 992
102ND GENERAL ASSEMBLY

2093H.04C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 393.170, RSMo, and to enact in lieu thereof one new section relating to electric transmission facilities.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 393.170, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 393.170, to read as follows:

393.170. 1. No gas corporation, electrical corporation, water corporation or sewer corporation shall begin construction of a gas plant, electric plant, water system or sewer system, other than an energy generation unit that has a capacity of one megawatt or less, without first having obtained the permission and approval of the commission.

2. No such corporation shall exercise any right or privilege under any franchise hereafter granted, or under any franchise heretofore granted but not heretofore actually exercised, or the exercise of which shall have been suspended for more than one year, without first having obtained the permission and approval of the commission. Before such certificate shall be issued a certified copy of the charter of such corporation shall be filed in the office of the commission, together with a verified statement of the president and secretary of the corporation, showing that it has received the required consent of the proper municipal authorities.

3. The commission shall have the power to grant the permission and approval herein specified whenever it shall after due hearing determine that such construction or such exercise of the right, privilege or franchise is necessary or convenient for the public service. The commission may by its order impose such condition or conditions as it may deem reasonable and necessary. Unless exercised within a period of two years from the grant thereof, authority

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 conferred by such certificate of convenience and necessity issued by the commission shall be
19 null and void.

20 **4. (1) The provisions of this subsection shall apply when the permission and**
21 **approval sought from the commission under subsection 1 of this section is for the**
22 **construction of electric transmission facilities approved by a regional transmission**
23 **operator. To the greatest extent practical, such electric transmission facilities shall be**
24 **designed, consistent with electric industry standards, to utilize a multi-circuit**
25 **configuration, be sited with or along existing above-ground infrastructure, or replace**
26 **or upgrade existing above-ground infrastructure, whether or not the existing electric**
27 **transmission facility infrastructure utilized is owned by an electrical corporation that**
28 **owns in-service electric transmission facilities in this state that are under the functional**
29 **control of a regional transmission operator. Electric transmission facilities need not be**
30 **designed as provided in the immediately preceding sentence if the commission**
31 **determines in a proceeding pursuant to which permission and approval is sought**
32 **under subsection 1 of this section that such a design is inconsistent with electric industry**
33 **standards, is inconsistent with the reliability basis given for the electric transmission**
34 **facilities project, or is not in the best interest of the electrical corporation's customers or,**
35 **to the extent the electrical corporation does not directly serve retail customers, the**
36 **interests of the electric customers whose retail rates will reflect the majority of the costs**
37 **of the electric transmission facilities to-be-constructed. In addition, to the extent such**
38 **electric transmission facilities will be sited with or along or will replace or upgrade**
39 **existing above-ground electrical infrastructure that is not owned by an entity seeking**
40 **permission and approval pursuant to an application filed under subsection 1 of this**
41 **section or by its affiliate, the entity or entities that will own the new electric transmission**
42 **facilities subject to the application shall obtain from the underlying fee owners**
43 **independent real estate rights necessary to accommodate the installation and operation**
44 **thereof. Nothing in this subdivision shall relieve such entity or entities of the obligations**
45 **contained in sections 523.039 or 523.256, to the extent those obligations would otherwise**
46 **apply.**

47 **(2) In addition to the design requirements in subdivision (1) of this subsection,**
48 **each electrical corporation seeking permission and approval under subsection 1 of this**
49 **section shall competitively bid the major construction components of each project for**
50 **which permission and approval is sought and shall utilize competitive sourcing**
51 **strategies for all related major materials.**

52 **(3) Only electrical corporations that own in-service electric transmission**
53 **facilities in this state that are under the functional control of a regional transmission**
54 **operator and to which the electric transmission facilities subject to the application will**

55 connect once construction is completed may file applications with the commission for
56 permission and approval to construct electric transmission facilities described in this
57 subsection. Within ninety days following approval of the construction of electric
58 transmission facilities by the applicable regional transmission operator, an electric
59 corporation seeking permission and approval for electric transmission facilities under
60 the provisions of this subsection may notify the commission that it will not construct any
61 or some portion of the facilities approved. If such notice is given and indicates the
62 notifying electrical corporation will not construct any of the facilities approved, the
63 commission may grant permission and approval for such facilities' construction to any
64 other electrical corporation. If such notice indicates that it will assign all or a portion of
65 the facilities approved to another electrical corporation, the commission may grant
66 permission and approval for the facilities that were assigned to the assignee electrical
67 corporation and such electrical corporation's construction of the facilities will be subject
68 to this subsection.

69 (4) This subsection shall not limit the right of any electrical corporation to seek
70 permission and approval from the commission to construct, operate, and maintain
71 electric transmission facilities in this state that will not initially connect to electric
72 transmission facilities in this state that are not under the functional control of a regional
73 transmission operator, independent system operator, or equivalent entity. This
74 subsection shall also not limit the right of any electrical corporation, any municipal
75 utility operating under chapter 91, any joint electric utility commission operating under
76 chapter 393, any rural electric cooperative organized or operating under chapter 394,
77 any corporation organized on a nonprofit or a cooperative basis as described in
78 subsection 1 of section 394.200, or any electrical corporation operating under the not-
79 for-profit cooperative business plan as described in subsection 2 of section 393.110 to
80 construct, operate, and maintain electric transmission facilities in this state that are not
81 under the functional control of a regional transmission operator, independent system
82 operator, or equivalent entity.

83 (5) For the purposes of this subsection, the following terms shall mean:

84 (a) "Electric transmission facilities", a transmission line that is designed and
85 constructed with the capability of being safely and reliably energized at one hundred
86 kilovolts or more and associated transmission facilities, including substations;

87 (b) "Regional transmission operator", a regional transmission organization,
88 independent system operator, or equivalent entity approved by the Federal Energy

89 **Regulatory Commission or its successor agency that exercises functional control over**
90 **electric transmission facilities located within this state.**

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